

## *Final Agenda*

### **TBPOC CONFERENCE CALL September 12, 2012, 11:00am – 11:30am**

<b>Topic</b>		<b>Presenter</b>	<b>Time</b>	<b>Desired Outcome</b>
<b>1.</b>	<b>YERBA BUENA ISLAND TRANSITION STRUCTURES NO. 2</b> a. Bid Opening and Bidders' Stipend*	T. Anziano, CT	25 min	Approval
<b>2.</b>	<b>OTHER BUSINESS</b>			
<b>Next TBPOC Meeting: September 20, 2012, 1:00 PM – 4:00 PM</b> <b>1120 N Street, Sacramento, CA</b>				

\*Attachments

## *Memorandum*

**TO:** Toll Bridge Program Oversight Committee (TBPOC)      **DATE:** September 11, 2012

**FR:** Tony Anziano, Toll Bridge Program Manager, Caltrans

**RE:** Agenda No. - 1a

Item- Yerba Buena Island Transition Structures (YBITS) No.2  
Bid Opening and Bidders' Stipend

---

**Recommendation:**  
**APPROVAL**

**Cost:**  
 $3 \times \$200,000.00 = \$600,000.00$

**Schedule Impacts:**

One-month delay to bid opening of YBITS2 project, but time may be recovered through competitive bidding with the aggressive bidding on the "B" number of days by multiple bidders.

**Discussion:**

When the project was advertised, the project management team was targeting bids from five contractors in order to maintain a very competitive environment at bid opening for the YBITS2 project. The team agreed that mitigation action should be taken if less than four bidders appeared prepared to submit bids on this project.

Through the beginning of August 2012, we had four teams (Kiewit, FCI, CEC and Shimmick) actively pursuing the contract, however, three of the teams (CEC, FCI and Shimmick) have now asked for an extension to the bid opening date, so that they can have time to submit a responsive bid. The amount of work that the Department is requesting at bid time is unusual in amount, complexity and scope and the contractors are now getting a true understanding of these requirements and the time needed to produce a responsive bid.

Additionally, there have been nine bidders inquiries asking for an increase in the stipend amount, to help partially defray the cost of preparing the engineering plans that are required at bid time, costs that one bidder referred to as "cost prohibitive at a stipend of only \$300,000".

## *Memorandum*

Recommendation (a) The Department and CTC recommend that a four-week extension be granted to the contractors to give them time to prepare a responsive bid. It is likely that this delay of four weeks could be recovered with an aggressive “B” number of days that would occur under a competitive bid environment.

Recommendation (b) Commensurate with that time extension, the Department is again recommending that the stipend be increased to \$500,000.00 to partially compensate the contractors for the extensive engineering work that is required at bid time.

The contractors will need to invest in rigorous engineering analysis in order to make good use of the extra four weeks to prepare a responsive bid, increasing the time alone may not be sufficient to keep all four contractors engaged given the large investment that will be required in the final few weeks prior to bid. Based on historic data, dropping from four to three bidders, one might expect to pay more than an extra \$4.6 million at bid time on this \$114 million contract. Dropping from four to two bidders, one might expect to pay an extra \$10 million on the bid. Only having one bidder would make both the cost of the bid and awarding the contract problematic. The proposed \$600,000.00 extra cost in the stipend is capital well spent given the potential outcome if even one more bidder drops out. The Department is recommending that the stipend be increased to \$500,000.00 for the 2nd, 3rd and 4th responsive bidder.

**Attachment(s):**

N/A